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OXC-3519

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13 June 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Contract No. SH-511 with Shell Oil Company,
New York, N.Y., Project OXCART

1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 6.

2. Contract No. SH-511 is a letter of intent to the Shell Oil Company for the installation of a Fuel Tank farm at Eielson AF Base and one at Thule AF Base to store FF-1 fuel for the OXCART Vehicle. The contract also covers the erection of Butler-type buildings and pumping and filtering facilities at both Air Force Bases. Shell has proposed to accomplish this work at cost only with overhead or G&A charge of about 10%. Since the specific details of both installations have not been worked out, the letter of intent is quite broad. A detailed proposal and cost estimate will be submitted as soon as practicable. Funding for this effort will be made available from Col. L. Geary's office after 1 July 1962. In the meantime, Shell has agreed to proceed with the installation utilizing Company funds.

3. The letter of intent, while authorizing the expenditure of \$200,000.00 ~~does not obligate funds at this time~~. However, by concurrence to this memorandum, AFCLG-5 signifies that such funds will be available on or about 1 July 1962 and, in the event of termination, sufficient funds will be made available to cover costs arising therefrom.

4. The services and equipment being procured by this Letter of Intent are in furtherance of the OXCART Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on 25 October 1961.

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5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

6. Concurrence in Contract No. SH-511 is recommended.

SIGNED

[Redacted]
Contracting Officer, DPD

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CONCURRENCES:

SIGNED

[Redacted] _____
Comptroller, DPD

12 June
Date

25X1

JOHN PARANGOSKY, CH/DB/DPD

13 June
Date

[Redacted] _____
N, OGC

14 June
Date

25X1

for [Redacted]

13 June
Date

25X1

CS/DPD-DD/R: [Redacted] : ooc

Distribution:

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OXC-3980
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13 June 1962

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Contract No. AF33(657)-8577, Shell Oil Company

Shell Oil Company
50 West 50th Street
New York 20, N. Y.

Gentlemen:

1. You are hereby advised that the United States Government intends to place a Contract No. AF33(657)-8577 with your Company for the design, fabrication, and installation of the following equipment and facilities at the locations indicated:

a. Eielson Air Force Base, Alaska

- (1) One (1) 350,000 - 400,000 gallon fuel tank suitable for storage of FF-1 fuel with suitable pumping and filtering facilities.
- (2) One (1) Butler-type building, 120' x 150', with a door opening of 75' W x 22' H, of suitable construction techniques for its environment and intended use.
- (3) Fencing and lighting shall be installed around the above complex for security purposes.

b. Thule, Greenland

- (1) Two (2) 500,000 gallon fuel tanks suitable for storage of FF-1 fuel.
- (2) A Butler-type building of sufficient size to accommodate refueling trucks and a pumping and filtering installation.
- (3) Suitable fencing and lighting shall be installed around the above complex for security purposes.

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2. The Government desires completion of the above installations on or before 15 October 1962.

3. Contractor is requested to submit a detailed work statement and cost and delivery proposal for the above work as soon as practicable. It is contemplated that the resulting definitive contract shall be a cost reimbursement type contract.

4. Pending issuance of said definitive contract, Contractor is authorized to commit funds in the amount of \$200,000.00

SIGNED


Contracting Officer

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